



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MAY 2, 2005
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AT
(202) 514-2007
TDD (202) 514-1888

ITALIAN COMPANY TO PLEAD GUILTY AND PAY \$9 MILLION FINE FOR PARTICIPATING IN POLYCHLOROPRENE RUBBER CARTEL

WASHINGTON, D.C. - Syndial S.p.A., an Italian company formerly known as Enichem S.p.A., has agreed to plead guilty and pay a \$9 million criminal fine for participating in an international conspiracy to fix prices in the polychloroprene rubber market, the Department of Justice announced today.

Polychloroprene rubber, also known as chloroprene rubber, is a synthetic rubber used in a variety of products, including tires, adhesives, coated fabrics, furniture, and shoes.

Approximately \$200 million of chloroprene rubber is sold annually in the United States. Syndial sells polychloroprene rubber under its Butaclor brand name.

In a felony case filed in U.S. District Court in San Francisco, Syndial was charged with conspiring with its competitors to fix the price of polychloroprene rubber sold in the United States and elsewhere from September 1999 to April 2002. Under a plea agreement, which must be approved by the court, Syndial agreed to assist the government in its ongoing polychloroprene rubber investigation.

“Protecting consumers from international price-fixing cartels is the highest priority of the Division,” said R. Hewitt Pate, Assistant Attorney General in charge of the Department’s Antitrust Division. “These types of cartels harm our economy and affect millions of American consumers.”

Syndial is charged with carrying out the conspiracy with its co-conspirators by:

- Participating in conversations and meetings to discuss prices of polychloroprene rubber to be sold in the United States and elsewhere;
- Agreeing, during those conversations and meetings, to fix prices of polychloroprene rubber to be sold in the United States and elsewhere;
- Participating in conversations and attending meetings concerning implementation of and adherence to the agreements reached;
- Issuing price announcements and price quotations in accordance with the agreements reached; and
- Exchanging information on the sale of polychloroprene rubber in the United States and elsewhere.

“This case follows in a line of recent successful prosecutions in various rubber-related industries,” said Scott Hammond, the Antitrust Division’s Deputy Assistant Attorney General for Criminal Enforcement. “The company charged today will provide valuable assistance in our continuing investigation of the polychloroprene rubber industry.”

Today’s case is the second prosecution resulting from the Department’s ongoing investigation of the polychloroprene rubber industry. On January 19, 2005, the Department charged DuPont Dow Elastomers L.L.C., a Delaware company formed in 1996 by E.I. du Pont de Nemours & Company and The Dow Chemical Company, with participating in the same international conspiracy to fix prices in the polychloroprene rubber market. On March 29, 2005, the company entered a plea of guilty and was sentenced to pay an \$84 million criminal fine.

Syndial was charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for corporations and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals for violations occurring before June 22, 2004. The maximum fine may be increased to twice the gain the conspirators derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charge is the result of an ongoing criminal investigation being conducted by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

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